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EXTRAORDINARY

PART II—Section 3

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## MINISTRY OF INDUSTRY AND SUPPLY

### NOTIFICATIONS

*New Delhi, the 13th September 1950*

**S.R.O. 594.**—In exercise of the powers conferred by section 8 of the Essential Supplies (Temporary Powers) Act, 1946, (XXIV of 1946), the Central Government is hereby pleased to make the following Order, namely:—

1. (a) This Order may be called the Cotton Control Order, 1950.

(b) It extends to the whole of India except the State of Jammu and Kashmir.

(c) It shall come into force at once.

(d) The Cotton Control Order, 1949 and any order corresponding thereto in force in a Part B State is hereby repealed.

Provided that any order made, notification issued, right accrued, penalty incurred, or anything done under the said order or any corresponding order in force in a Part B State shall be deemed to have been made, issued, accrued, incurred or done under the corresponding provisions of this order.

2. In this Order, unless the context otherwise requires,—

(a) "carrier" includes a railway administration or any other person engaged in the business of transporting property from one place to another by land, air, or water;

(b) "contract" means a contract made or to be performed in whole or in part in India relating to the sale or purchase of cotton;

(c) "cotton" means—

(i) ginned cotton; and

(ii) ginned and pressed cotton,

and includes both Indian and foreign cotton;

(d) "cotton ginning factory" shall have the same meaning as in the Cotton Ginning and Pressing Factories Act, 1925;

(e) "foreign cotton" means cotton grown in any country outside India;

(f) "form" means a form appended to this order;

(g) "forward contract" means a contract for the delivery of cotton at some future date and which is not of the nature of a ready delivery contract;

(h) "India" does not include the State of Jammu and Kashmir;

(i) "Indian cotton" means cotton grown at any place in India; State Government for any specified area;

(j) "licensing authority" means an officer appointed in this behalf by a

(k) "manufacturer" means a manufacturer of yarn;

(l) "option in cotton" means a contract, by whatever name called, for the purchase or sale of a right to buy or sell or a right to buy and sell cotton in future, and includes a *teji*, a *mandi* or a *teji-mandi* in cotton;

(m) an article shall be deemed to be in the possession of a person when it is held on behalf of that person by another person or when held by that person on behalf of another person.

(n) the expressions "yarn" and "Textile Commissioner" shall have the same meaning as they have in the Cotton Textiles (Control) Order, 1948.

3. (1) The Textile Commissioner may fix the maximum and the minimum prices at which any cotton or kapas or cotton seed may be sold or purchased.

(2) Where the maximum and minimum prices have been fixed as aforesaid in respect of any cotton or kapas or cotton seed, no person shall sell or offer to sell or purchase or offer to purchase any such cotton or kapas or cotton seed at a price exceeding the maximum or lower than the minimum price so fixed.

4. Except in the cases excluded from the operation of this clause under clause 6, no person shall enter into:—

(a) any contract; or

(b) any option in cotton.

5. All contracts and options in cotton entered into or made after the commencement of this Order in contravention of clause 4 shall be void.

6. The Textile Commissioner may by general order and subject to such restrictions and conditions as he may prescribe exclude from the operation of clause 4 any class or description of contracts.

7. (1) The Textile Commissioner may specify the maximum quantity of any description of cotton which a manufacturer may buy during a specified period or within a specified area or which at any time he may have in his possession.

(2) No manufacturer shall buy or have in his possession a quantity of any cotton exceeding the maximum quantity specified as aforesaid.

8. Without prejudice to any order made under sub-clause (1) of clause 7, where, at any time, in the opinion of the Textile Commissioner, any manufacturer has in his possession a quantity of cotton in excess of the quantity

which would reasonably be required by him for manufacturing yarn in the next six months, it shall be open to the Textile Commissioner, to the extent of such excess, to direct such manufacturer to sell such quantity of the excess cotton at such price and on such conditions as may be specified; and every manufacturer shall comply with such direction.

9. No person shall purchase, sell, store or carry on business in cotton or shall hold cotton in hypothecation or against a pledge except under and in accordance with the conditions of a licence in Form "A".

*Exception.*—Nothing in this clause shall apply—

- (a) to a manufacturer;
- (b) to a person who purchases or stores cotton for his own use and not for the purpose of sale and who does not at any time have in his possession a quantity of cotton exceeding 24 bales of ginned and pressed cotton or boras of ginned cotton.

10. Any person desiring a licence shall make an application to the appropriate Licensing Authority of his State in Form "B".

11. Every licence granted under this Order shall be valid for the period specified in the licence but may be renewed from time to time for a period of one year. The fee charged for the grant or renewal of a licence shall be Rs. 25: provided that in respect of any one year no person shall be liable to pay more than Rs. 25 for the grant or renewal of any number of licences within the same State and the amount paid by him in excess of Rs. 25 shall, on application in that behalf, be refunded to him by the State Government.

12. If a licence granted under this Order is lost or destroyed the Licensing Authority may after making such enquiry as it may deem fit, issue a duplicate licence on payment of a fee of Rs. 5.

13. (1) No person being the holder of a licence issued under this Order shall contravene any of the conditions mentioned in the licence and if any such person contravenes any of the said conditions, then without prejudice to any other remedy his licence may be cancelled by the Licensing Authority.

(2) Notwithstanding anything contained in sub-clause (1) the Licensing Authority may without previous notice or without assigning any reasons suspend or cancel a licence issued under this Order and such cancellation or suspension shall not entitle the licensee to any compensation or the refund of any fees paid in respect of any such licence.

14. (1) The Textile Commissioner may with a view to securing a proper distribution of cotton or with a view to securing compliance with this Order direct any person holding stocks of cotton or any class of such persons—

- (a) to sell to such person or persons such quantities of such description of cotton as the Textile Commissioner may specify;
- (b) not to sell or deliver cotton of a specified description except to such person or persons and subject to such conditions as the Textile Commissioner may specify; and may issue such further instructions as he thinks fit regarding the manner in which the direction is to be carried out.

(2) The Textile Commissioner may direct any person to furnish samples of any cotton in his possession, and may issue such further instructions as he thinks fit regarding such samples.

(3) Every person, to whom a direction or instruction is issued under this clause, shall comply with any such direction or instruction.

15. The Textile Commissioner may appoint any person or persons to advise him for the purpose of fixing the exact value of the cotton directed to be sold under any of the provisions of this Order in regard to any case or classes of cases.

16. The Textile Commissioner may make regulations—

(a) prescribing the form of application for manufacturers who desire assistance from the Textile Commissioner for the purpose of obtaining supplies of cotton;

(b) regarding the payment of the price and survey and other expenses including the deposit of any amount as earnest money in respect of such assistance; and

(c) generally, as regards the procedure to be followed in giving effect to such applications.

17. (1) The Textile Commissioner may direct any person holding stocks of kapas to get it ginned before a specified date and every such person shall comply with such direction.

(2) The Textile Commissioner may by a general order prohibit from such date or dates as may be specified in the order the possession of any kapas of a specified description or in a specified area except under and in accordance with the permission in writing of the Textile Commissioner.

(3) Notwithstanding anything contained in this clause, no manufacturer shall purchase or otherwise acquire kapas: provided that a manufacturer who is the owner or lessee of a cotton ginning factory acquired by him by purchase, lease or in any other manner under a document registered before the 1st September, 1950, may be permitted by the Textile Commissioner, subject to such conditions as he may specify, to purchase such quantity of kapas as, considering the ginning capacity of such factory, is capable of being ginned at that factory.

18. The Textile Commissioner may by general or special order prohibit the transport of cotton from any place within any area to any place outside that area by rail, road or water except under such conditions, limitations and restrictions as may be specified in such order.

19. The Textile Commissioner may by order in writing direct any carrier to close the booking and transport of any cotton by rail, road or water between such places and for such period as may be specified in the order and such carrier shall comply with the order.

20. The Textile Commissioner may with a view to securing compliance with this Order—

(a) require any person to give any information in his possession with respect to any business carried on by that or any other person;

- (b) inspect or cause to be inspected any books or other documents belonging to or under the control of any person;
- (c) enter and search or authorise any person to enter and search any premises and seize or authorise any person to seize any article in respect of which he has reason to believe a contravention of this Order has been committed and any other article in the premises which he has reason to believe has been or is intended to be used in connection with such contravention.

21. Every person who is required to give any information under clause 20 shall comply with such requisition.

22. (1) Every manufacturer shall submit to the Textile Commissioner before the 12th October 1950 and thereafter before the 12th day of every succeeding month a return in Form "D" giving all the particulars specified therein.

(2) Every manufacturer shall submit to the Textile Commissioner, for the first fortnight of October 1950 and for every fortnight thereafter, a return in Form "E" giving all the particulars specified therein. The return should reach the Textile Commissioner not later than 7 days after the completion of the fortnight.

23. The Textile Commissioner, with the previous sanction of the Central Government, may by general or special order in writing authorise any officer to exercise on his behalf all or any of his functions and powers under this Order.

#### FORM 'A'

(See clause 9)

The Cotton Control Order, 1950 Licence for purchase, sale or storage or for carrying on business in cotton or for holding cotton in hypothecation or against pledge.

Subject to the provisions of the Cotton Control Order, 1950 (hereinafter referred to as the "said order") and to the terms and conditions of this licence.

is/are  
hereby authorised to purchase, sell, store, carry on business in cotton or hold cotton in hypothecation or against pledge.

2. The Licensee shall carry on the aforesaid business at the following place(s):—

3. The licensee shall maintain a register of daily accounts in respect of each description of cotton in which he deals, showing correctly—

- (a) the opening stock on each day;
- (b) the quantities received on each day showing the place of origin and the name and address of the person from whom received;
- (c) the quantities sold delivered or otherwise removed on each day showing the place of destination, the name and address of the person to whom they are sold or delivered, or for whom they are removed;
- (d) the closing stock on each day.

4. The licensee shall in respect of each description of cotton submit to the appropriate licensing authority or any other officer authorised by it in this behalf within five days of the completion of each fortnight, a true return in Form 'C'.

5. The licensee shall not sell, hypothecate or pledge cotton to any person who does not hold a licence under the said Order or is not otherwise authorised to purchase cotton.

6. The licensee shall issue to every customer a correct receipt or invoice as the case may be, giving his own name, address and licence number, the name, address and licence number of the customer, the date of transaction, the quantity sold, the rate per khandy and the total amount charged and shall keep a duplicate of the same available for inspection on demand by the licensing authority or any officer authorised by such authority in this behalf.

7. The licensee shall give all facilities at all reasonable times to the licensing authority or any officer authorised by such authority in this behalf, for the inspection of his stocks and accounts at any shop, godown or other place used by him for the storage or sale of cotton and for taking samples of cotton for examination.

8. The licensee shall comply with any directions that may be given to him in regard to the purchase, sale, storage, hypothecation or pledge of cotton and in regard to the language in which the registers, returns, receipts or invoices mentioned in paragraphs 3, 4 and 6 shall be maintained submitted or issued and in regard to the maintenance of the register mentioned in paragraph 3.

Signature of the Licensing Authority.

Date.....195

FORM 'B'

(See clause 10)

1. Applicant's name.
2. Applicant's occupation.
3. Applicant's full address.
4. Situation of applicant's places of business and godowns and other places used by him for the sale or storage of cotton. (Detailed address of these places should be given).

I have carefully read the conditions of the licence given in Form 'A' appended to the Cotton Control Order, 1950, and I agree to abide by them.

Signature of the Applicant.

# FORM 'C'

(See Paragraph 4 of Form 'A')

*Return of stocks, receipts and sales of cotton for the fortnight ending.....*

(To be submitted within five days after the close of each fortnight).

INSTRUCTION.—All figures should be in terms of bales of 400 lbs. weight each whether ginned or ginned and pressed and whether Indian cotton or foreign cotton.

Licensee's Name.....

Address.....

Licence No.....

Variety of cotton (1)	Opening Balance <i>i.e.</i> , Stocks at the beginning of the fortnight		Receipts during the fortnight (4)	Total (Columns 2 + 3 + 4) (5)	Sales during the fortnight (6)	Deliveries during the fortnight (7)	Closing Balance <i>i.e.</i> , stocks at the end of the fortnight	
	Bales sold but not delivered (2)	Bales unsold (3)					Bales sold but not delivered (8)	Bales unsold (9)
1. Bengal Deshi . . . . .								
2. Oomras short staple—								
(a) Oomra Deshi . . . . .								
(b) C. P. I. & II . . . . .								
(c) Central India Deshi . . . . .								
3. Oomras long staple—								
(a) Janila . . . . .								
(b) Gaorani, 6 & 12 . . . . .								
(c) Parbhani—American . . . . .								
(d) Buri . . . . .								



- |                         |  |  |  |  |  |  |  |  |  |
|-------------------------|--|--|--|--|--|--|--|--|--|
| 4. East Punjab—American |  |  |  |  |  |  |  |  |  |
| 5. Broach Vijay         |  |  |  |  |  |  |  |  |  |
| 6. Surti                |  |  |  |  |  |  |  |  |  |
| 7. Dholkeras—           |  |  |  |  |  |  |  |  |  |
| (a) Wagad               |  |  |  |  |  |  |  |  |  |
| (b) Kalagin             |  |  |  |  |  |  |  |  |  |
| (c) Mathia              |  |  |  |  |  |  |  |  |  |
| 8. Westerns/Northerns—  |  |  |  |  |  |  |  |  |  |
| (a) Mungari             |  |  |  |  |  |  |  |  |  |
| (b) Farm                |  |  |  |  |  |  |  |  |  |
| 9. Coconadas/Warangal   |  |  |  |  |  |  |  |  |  |
| 10. Comptas—            |  |  |  |  |  |  |  |  |  |
| (a) Jaywant             |  |  |  |  |  |  |  |  |  |
| (b) Upland              |  |  |  |  |  |  |  |  |  |
| 11. Cambodias—          |  |  |  |  |  |  |  |  |  |
| (a) Cambodias           |  |  |  |  |  |  |  |  |  |
| (b) Karungannies        |  |  |  |  |  |  |  |  |  |
| 12. Assam Commillas     |  |  |  |  |  |  |  |  |  |
| 13. Other Indian cotton |  |  |  |  |  |  |  |  |  |

TOTAL INDIAN COTTON

PART II.—FOREIGN COTTON

- |                     |  |  |  |  |  |  |  |  |  |
|---------------------|--|--|--|--|--|--|--|--|--|
| 14. Pakistans       |  |  |  |  |  |  |  |  |  |
| 15. Egyptians       |  |  |  |  |  |  |  |  |  |
| 16. Sudans          |  |  |  |  |  |  |  |  |  |
| 17. East Africans   |  |  |  |  |  |  |  |  |  |
| 18. Afghans         |  |  |  |  |  |  |  |  |  |
| 19. North Americans |  |  |  |  |  |  |  |  |  |
| 20. Peruvians       |  |  |  |  |  |  |  |  |  |
| 21. Brazilians      |  |  |  |  |  |  |  |  |  |
| 22. Belgian Congo   |  |  |  |  |  |  |  |  |  |
| 23. Other Foreign   |  |  |  |  |  |  |  |  |  |

TOTAL FOREIGN COTTON

I/We hereby declared that I/We have compared the above particulars with the records and books of my/our firm and that they are, in so far as I/We can ascertain, accurate and complete and that the purchases and sales are done in conformity with the provisions of the Cotton Control Order, 1950 and notifications thereunder.

.....  
dated.....

Signature of Licensee.

FORM "D"

(See clause 22 (1) of the Cotton Control Order, 1950)

GOVERNMENT OF INDIA

MINISTRY OF INDUSTRY AND SUPPLY

OFFICE OF THE TEXTILE COMMISSIONER, BOMBAY

*Monthly return of stocks, consumption and sales of Cotton, Cotton Waste (Soft Waste) and Staple Fibre as on.....*

INSTRUCTIONS

1. This form should be completed in accordance with the instructions given below and sent to the Office of the Textile Commissioner, Cotton Branch, Sudama House, Ballard Estate, Bombay, so as to reach on or before the *12th of every month* giving the position as on the last date of the previous month. Mills are advised in their own interests to post the returns under a certificate of posting or registered with acknowledgment due. *Failure to submit the return by the due date will render you liable to prosecution.*

2. *Cotton*.—(a) All figures should be in terms of bales of 400 lbs. weight each whether ginned or ginned and pressed and whether Indian cotton or Foreign cotton.

(b) The descriptions of Indian cotton should correspond to the definitions in the Textile Commissioner's Notification No. 1 (57) Tex-2/50, dated 21st August, 1950.

3. *Cotton Waste (Soft Waste)*.—

(a) The Cotton Waste (Soft Waste) referred to means all kinds of cotton waste such as droppings, fly, strippings, bondas and all other kinds of Waste from the Blow Room, Carding Engine, Comber, Inter, Slubbing and Roving Frames.

(b) All figures of cotton Waste (Soft Waste) should be expressed in cwts.

4. *Staple Fibre*.—All figures should be expressed in lbs.

Mill's Name.....Date.....

Mill's Full Address.....

Mill's Telegraphic Address.....No. of shift worked during the month....



[illegible]

17. <i>Egyptians</i> :—									
(a) Ashmouni . . . .									
(b) Zagoras . . . .									
(c) Giza 30 . . . .									
(d) Giza 23 . . . .									
(e) Karnak . . . .									
(f) Menoufi . . . .									
(g) Other Egyptians . .									
TOTAL EGYPTIANS . . . .									
18. Sudan Egyptians . . .									
19. Sudan Americans . . .									
20. East Africans . . . .									
21. Afghans . . . . .									
22. Americans :—									
(a) U. S. A. . . . .									
(b) Peruvians . . . .									
23. Brazilians . . . . .									
24. Belgian Congo . . . .									
25. Other Foreign Cotton									
TOTAL FOREIGN COTTON									
GRAND TOTAL OF ALL COTTONS									
PART III—OTHER FIBRES.									
26. Cotton Waste (in cwts.)	(a) Own								
27. Staple Fibre (in lbs.)	production								
	(b) Purchases								

I do hereby declare that I have compared the above figures with the records and books of my mills and that they are, in so far as they go, certain and accurate.

Date.....

Signature of Owner/Managing Agent/Manager.

## FORM "E"

[See Clause 22 (2) of the Cotton Control Order, 1950]

*Return of purchases of Indian Cotton (Ginned or ginned and pressed) for the fortnight ending....*

Mill's Name.....

Mill's Full Address.....

Mill's Telegraphic Address.....

Date of purchase	Seller's Name and Address and Licence (Form "A") No.	Location of Cotton	Variety	Details of Purchases of ginned cotton		Details of Purchases of ginned and pressed cotton	
				Quantity of ginned cotton in candies of 784 Lbs.	Price paid for the ginned cotton per candy of 784 Lbs.	Quantity in bales of 400 Lbs.	Price paid per candy of 784 Lbs.
1	2	3	4	5	6	7	8

I do hereby declare that I have compared the above figures with the records and books of my Mills, and that they are, in so far as they go, certain and accurate.

Dated.....

Signature of Owner/Managing Agent/Manager.

[No. 1(57)TEX-2/50(ii)]

B. K. KAUL,  
Deputy Secretary.

**S.R.O. 595.**—In exercise of the powers conferred on me by clause 3(1) of the Cotton Control Order, 1950, I hereby direct that the following amendments shall be made in the Textile Commissioner's notification No. 1(57)Tex.2/50 dated the 21st August 1950, namely:—

In the said notification in paragraph 3 the following sub-paragraphs shall be added, namely:—

- “(3) The maximum and minimum prices specified in paragraphs 2 and 3(1) and (2) above shall be decreased by Rs. 25 per candy when the subject-matter of the contract is ginned (that is, unpressed) cotton.
- (4) The minimum prices fixed under this notification shall not apply to any cotton which is inferior in class or staple to that for which ‘off’ allowances are specified in columns 5 and 6 of the schedule.
- (5) Nothing in this notification shall apply to a contract of sale with an overseas buyer for the purposes of export.”

[No. 1(57)TEX-2/50(iii)]

**S.R.O. 596.**—In exercise of the powers conferred on me by clause 16 of the Cotton Control Order, 1950 I hereby direct that the following amendment shall be made in the Textile Commissioner's notification No. 1(33)-Tex.2/49(iii) dated the 12th September, 1949, namely:—

In the said notification after regulation 2 the following regulation shall be added, namely:—

- “3. For the purposes of regulation 1 (iii) (b) and regulation 2 above ‘Licensing Authority’ shall be deemed to include any other officer who has been authorised to exercise the powers of the Textile Commissioner under clauses 14 and 15 of the Cotton Control Order, 1950.”

[No. 1(57)TEX-2/50(iv)]

**S.R.O. 597.**—In exercise of the powers conferred on me by clause 18 of the Cotton Control Order, 1950 and in supersession of the Textile Commissioner's notification No. TCS.I/48(1) dated the 15th November, 1949 I hereby direct as follows:—

1. Except in accordance with the permission in writing of the Textile Commissioner, the Director (Cotton) or an Assistant Director (Cotton) in the office of the Textile Commissioner or any other officer appointed in this behalf by the Textile Commissioner, no person shall transport or cause to be transported cotton by rail, road or water from any place within any State in India to any place in India outside that State.

2. Except in accordance with the permission in writing of the Textile Commissioner, the Director (Cotton) or an Assistant Director (Cotton) in the office of the Textile Commissioner or any other officer authorised in this behalf by the Textile Commissioner, no person shall transport or cause to be transported by rail or sea cotton from any place within a State in India to any other place within the same State unless the cotton has been purchased by and is consigned to a manufacturer of yarn.

3 For the purposes of this notification Madras and Travancore-Cochin shall be deemed to be a single State.

4. Nothing in this notification shall apply to the transport of—

- (a) Cotton Waste (Soft Waste);
- (b) Parcels containing cotton weighing not more than 20 lbs;
- (c) Parcels containing cotton despatched by or to—
  - (i) the President, East India Cotton Association, Bombay,
  - (ii) the Secretary, Indian Central Cotton Committee, Bombay,
  - (iii) the Director, Technological Laboratory, Matunga, Bombay.

[No. 1(57)TEX-2/50(v)]

T. P. BARAT, Textile Commissioner.